Statement-II

Funds released to the State Government of Gujarat under the schemes of M/Tribal Affairs

(Rs. in lakhs)

Sl. No.	Scheme		1996-97	1997-98	1998-99	1999-2000	2000-01
1.	Special Central Assistance to Tribal Sub-Plan	Allocation	2642.95	2534.81	2989.70	3139.98	3139.98
		Release	2642.95	2632.77	3689.70	3139.98	3139.98
2	Grant under article 275(1) on the constitution	Allocation	675.00	675.00	675.00	900.00	1350.00
		Release	675.00	625.00	450.00	900.70	2250.00
3	Girls Hostel		—	—	4.02	6.25	—
4	Boys Hostel		—	—	2.29	3.00	—
5	Vocational Training Centre		101.89	86.35	67.50	67.50	—
6	Ashram Schools		21.60	—	175.29	83.17	—
7	Res. & Trg. (TRIs)		.	9.47		14.15	
8	Grant-in-aid to State TDCCs		50.00	123.89	—	150.00	150.00
9	Village Grain Banks		17.92	19.20	14.72	—	100.0
10	Development of Primitive Tribal Groups		—	—	—	—	—
11	State Tribal Development Finance Corp.		—	—	—	—	—
12	Post Matric Scholarship		307.98	Nil	Nil	Nil	Nil

Bidding Discontent

*189. SHRI DIPANKAR MUKHERJEE: Will the Minister of DISINVESTMENT be pleased to state:

(a) whether Govenment's attention has been drawn to the news-item captioned "Bidding Discontent" which appreared in the Outlook, dated 19th November, 2001;

(b) if so, Government's reaction thereto; and

(c) the steps taken, so far, to make the valuation process transparent and acceptable within Government's own agencies?

THE MINISTER OF DISINVESTMENT (SHRI ARUN SHOURIE): (a) to (c) The disinvestment in Central Public Sector Undertakings is carried out through the process of Inter- Ministerial consultations and normally an Inter-Ministerial

Group is constituted for each such case. The article which appreared in the Outlook dated 19th November 2001 *inter alia* referred to the views and opinions expressed by one of the members of the Inter-Ministerial Group constituted for the purpose of disinvestment in India Tourism Development Corporation (ITDC). The said officer is also one of the members of the Evaluation Committee which was constituted for evaluation of the financial bids for disinvestment in ITDC Hotels. The suggestions / views expressed have been duly considered. The existing procedure involves valuation of the assets of a particular enterprise under disinvestment by a professional and registered Asset Valuer, selected through the process of competitive bidding. The inputs given by the Asset Valuer are taken into account by the Advisor to the Government for the disinvestment transaction in question. The Advisor is normally a merchant banker of repute and selected through the process of open competitive bidding. For ensuring uniformity in valuations, the Ministry of Disinvestment has laid down guidelines indicating the standard methodologies to be adopted. Such a professional skill and experience as available to a reputed merchant banker is not normally available in the Government set-up. The Advisors make a presentation before the Evaluation Committee and explain the various assumptions used in different methodologies. The members of the Evaluation Committee deliberate on all the issues and seek clarifications from the Advisors on various points. The process of deliberation and consultaiton among the members of the Committee goes on for hours together. After the Committee is satisfied, it takes a decision about the reserve price suggested by the Advisors. The Committee is free to make changes, wherever required. Thereafter the report of the Evaluation Committee is placed before an Inter-Ministerial Group (IMG) for consideration. The recommendations of the IMG are placed before the concerned group of Secretaries for their recommendations and placement of the matter before the appropriate final decision making authority. The existing procedure and methodology was followed in the cases of disinvestment in Modern Food Industries Limited (MFIL), Bharat Aluminium Company Limited (BALCO) and also in the recently completed disinvestment in CMC Limited and HTL Limited. The procedure followed in the case of MFIL has already been seen and scrutinized by the Comptroller and Auditor General of India (C&AG). Other cases of disinvestment are also in the process of scrutiny by the C&AG of India. The experience gained thus far does not suggest that the existing procedure and methodologies need to be modified.